WHAT IS CLAIMED IS:

1. A method for selectively adjusting the resolution levels or the quality levels of digital images stored in a memory of a digital camera having a predetermined memory space, comprising the steps of:

(a) capturing a first image and storing the captured first image at a specific resolution level or quality level;

(b) adjusting the resolution level or quality level of the stored first image based on the available memory space in the digital camera memory so that a subsequent captured image can be stored; and

(c) capturing a subsequent image and storing the captured subsequent image with the adjusted first image.

2. The method of claim 1 wherein the captured first image is compressed prior to storage.

3. The method of claim 2 wherein the first image is compressed using embedded quantization.

4. The method of claim 3 wherein the first image is compressed in accordance with JPEG2000.

5. A method for selectively adjusting the resolution levels or the quality levels of digital images stored in a memory of a digital camera having a predetermined memory space, comprising the steps of:

(a) prior to image capture, selecting the resolution levels or the quality levels of images to be captured;

(b) after capturing an image, adjusting the resolution level or quality level of one or more stored images based on the available memory space in the digital camera memory so that the captured image can be stored; and

(c) storing the captured image with the adjusted images.

6. The method of claim 5 wherein the selecting step includes programming the digital camera with a predetermined resolution level or quality level.

7. The method of claim 5 wherein the selecting step includes a user determining the resolution level or the quality level prior to image capture.

8. The method of claim 7 wherein the user has available for selection a plurality of resolution levels and quality levels.

9. The method of claim 5 wherein the captured image when stored has a resolution level and a quality level selected by a user.

10. The method of claim 5 wherein the adjusting step includes changing the resolution level or quality level of all of the stored images.

11. A computer readable medium having computer executable instructions for performing the method of claim 5.

12. A method for selectively adjusting the file size of digital images stored in a memory of a digital camera having a predetermined memory space, comprising the steps of:

(a) capturing a first image and storing the captured first image using a specific file size;

(b) adjusting the file size of the stored first image based on the available memory space in the digital camera memory so that a subsequent captured image can be stored; and

(c) capturing a subsequent image and storing the captured subsequent image with the adjusted first image.

13. The method of claim 12 wherein the captured first image is compressed prior to storage.

14. The method of claim 13 wherein the first image is compressed using embedded quantization.

15. The method of claim 14 wherein the first image is compressed in accordance with JPEG2000.

16. The method of claim 13 wherein the compressed first image is organized into a plurality of quality layers and wherein one or more of such quality layers can be deleted to reduce the file size of the compressed first image and thereby increase the available digital camera memory space.

17. The method of claim 16 wherein the amount of memory space required to store each of the plurality of quality layers is stored in a table accessible by the digital camera.

18. The method of claim 13 wherein the compressed first image is organized into a plurality of resolution layers and quality layers and wherein one or more of such resolution layers and quality layers can be deleted to reduce the file size of the compressed first image and thereby increase the available digital camera memory space.

19. The method of claim 18 wherein the amount of memory space required to store each of the plurality of resolution layers and quality layers is stored in a table accessible by the digital camera.

20. A method for selectively adjusting the quality levels of digital images stored in a memory of a digital camera having a predetermined

(b) after capturing a subsequent image, adjusting the resolution level or quality level of the stored first image based on the available memory space in the digital camera memory so that the captured subsequent image can be stored; and

(c) storing the captured subsequent image with the adjusted first image.

25. The method of claim 24 wherein the captured first image is compressed prior to storage.

26. The method of claim 25 wherein the first image is compressed using embedded quantization.

27. The method of claim 26 wherein the first image is compressed in accordance with JPEG2000.

28. A method for selectively adjusting the file size of digital images stored in a memory of a digital camera having a predetermined memory space, comprising the steps of:

(a) capturing a first image and storing the captured first image using a specific file size;

(b) after capturing a subsequent image, adjusting the file size of the stored first image based on the available memory space in the digital camera memory so that the captured subsequent image can be stored; and

(c) storing the captured subsequent image with the adjusted first image.

29. The method of claim 28 wherein the captured first image is compressed prior to storage.

memory space in a range from a minimum acceptable quality level to the highest quality level, comprising the steps of:

(a) storing images at the highest quality level until the available memory space does not permit the storage of a subsequent image at the highest quality level;

(b) reducing the quality level of at least one of the stored images so that the available memory space is capable of storing **a** subsequent captured image at the minimum acceptable quality level; and

(c) capturing a subsequent image and storing the captured subsequent image at a quality level within the quality level range.

21. The method of claim 20 wherein a user selects the minimum acceptable quality level for each image to be stored, and wherein the reducing step includes first reducing the quality levels of the stored images having the highest differential between the user selected minimum acceptable quality level and the stored quality level.

22. The method of claim 20 wherein the available memory space is adjusted to provide for the storage of more than one subsequent captured image.

23. The method of claim 20 further including the step of indicating to a camera user that the a subsequent captured image cannot be stored unless the minimum acceptable quality level is reduced for one or more stored images.

24. A method for selectively adjusting the resolution levels or the quality levels of digital images stored in a memory of a digital camera having a predetermined memory space, comprising the steps of:

(a) capturing a first image and storing the captured first image at a specific resolution level or quality level;

30. The method of claim 29 wherein the first image is compressed using embedded quantization.

31. The method of claim 30 wherein the first image is compressed in accordance with JPEG2000.

32. The method of claim 29 wherein the compressed first image is organized into a plurality of quality layers and wherein one or more of such quality layers can be deleted to reduce the file size of the compressed first image and thereby increase the available digital camera memory space.

33. The method of claim 32 wherein the amount of memory space required to store each of the plurality of quality layers is stored in a table accessible by the digital camera.

34. The method of claim 29 wherein the compressed first image is organized into a plurality of resolution layers and quality layers and wherein one or more of such resolution layers and quality layers can be deleted to reduce the file size of the compressed first image and thereby increase the available digital camera memory space.

35. The method of claim 34 wherein the amount of memory space required to store each of the plurality of resolution layers and quality layers is stored in a table accessible by the digital camera.

36. A method for selectively adjusting the quality levels of digital images stored in a memory of a digital camera having a predetermined memory space in a range from a minimum acceptable quality level to the highest quality level, comprising the steps of:

(a) storing images at the highest quality level until the available memory space does not permit the storage of a subsequent image at the highest quality level;

(b) after capturing such subsequent image, reducing the quality level of at least one of the stored images so that the available memory space is capable of storing the subsequent captured image at the minimum acceptable quality level; and

(c) storing the subsequent image at a quality level within the quality level range.

37. The method of claim 36 wherein a user selects the minimum acceptable quality level for each image to be stored, and wherein the reducing step includes first reducing the quality levels of the stored images having the highest differential between the user selected minimum acceptable quality level and the stored quality level.

38. The method of claim 36 wherein the available memory space is adjusted to provide for the storage of more than one subsequent captured image.

39. The method of claim 36 further including the step of indicating to a camera user that the a subsequent captured image cannot be stored unless the minimum acceptable quality level is reduced for one or more stored images.